THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) UTI has sought financial assistance from Government. As part of a financial package announced on 28-12-2001 Government will compensate UTI in respect of the US-64 scheme for the deficit, if any, between the NAV and applicable repurchase prices, with regard to the limited repurchase facility, announced on July 15, 2001 upto 3000 units which has been rasied to 5,000 units per unit-holder, and for remaining holdings in US-64, the deficity, if any between per unit and Net Asset Value (NAV) whichever is higher on May 31, 2003. Government has released a sum of Rs. 300 crores to UTI in the last financial year.

Lock-in period on sale proceeds by NRIs

4297. SHRI LAJPAT RAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank has removed the lock-in-period of three years for repatriation of sale proceeds by NRIs/PIOs;

(b) if so, the reasons therefore; and

(c) what would be the inflow and outflow of foreign exchange so envisaged in this behalf for the next three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) In terms of Regulation 6 of RBI's Notification No. 21/2000/RB dated May 3, 2000, NRIs and PIOs, have been permitted to repatriate sale proceeds of immovable property subject to certain conditions, *inter-alia*, that the property is sold after 3 years from the date of acquisition or from the date of payment of final instalment whichever is later. As a result NRIs/PIOs who have entered into contracts to purchase properties in India are unable to take back their money unless they have paid full amount of purchase in the circumstances even in the cases where construction work is not progressing satisfactorily or for some compelling reasons the buyer has to cancel the contract. the funds brought in by the NRIs are blocked in India. In order to mitigate the difficulties faced by NRIs/PIOs Reserve Bank has decided henceforth to allow repatriation of sale proceeds or amount received on account of cancellation of purchase contracts, subject to the condition that the amount does not exceed amount paid for acquisition of the property in foreign exchange brought through Banking Channel or the amount realized whichever is lesser.

(c) While the amount to be repatriated cannot be estimated, it cannot exceed (a) the amount paid for acquisition of the immovable property in foreign exchange received through normal banking channels or out of funds held in foreign currency Non-Resident Account or (b) the foreign currency equivalent, as on the date of payment, of the amount paid where such payment was made from the funds held in NRE account for acquisition of the property.

Release of Grant to Gujarat

4298. SHRI BACHANI LEKHRAJ: Will the Minister of FINANCE be pleased to state:

(a) the amount of Eleventh Finance Commission grant due to the Gujarat Government for the year 2000-2001;

(b) whether this amount has been released; and

(c) whether it has been released, if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Grants recommended by Eleventh Finance Commission (EFC) and amounts released to the Government of Gujarat for the year 2000-01 are as under:-

(Rs. in crores)

Nature of Grant		Amount for the year 2000-01	
		Recommended by EFC	Released
1.	Grants for upgradation & special problems	94.46	55.56
2.	Grants for local bodies:		
	(a) Panchayats	69.61	—
	(b) Urban local bodies	26.50	26.50
3.	Centre's share of CRF	121.05	121.05
4.	Grants from Incentive Fund	29.42	—

(c) In the case of upgradation and special problem grants, the shorfall in releases is due to the State not furnishing an approved action plan, as well as utilization details of earlier released amount. Grants from the Incentive Fund